

Superannuation Acts (Voluntary Redundancy) Bill

No.

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By Authority L. V. North, Government Printer Melbourne

LEGISLATIVE ASSEMBLY

Read 1° 31 October 1990

(Brought in by Mr Crabb and Mr Kennan)

A BILL

to amend the **State Superannuation Act 1988**, the **State Employees Retirement Benefits Act 1979**, the **Hospitals Superannuation Act 1988**, the **Transport Superannuation Act 1988**, the **Superannuation (Portability) Act 1989**, the **Emergency Services Superannuation Act 1986** and the **Superannuation Acts (Amendment) Act 1988** and for other purposes.

Superannuation Acts (Voluntary Redundancy) Act 1990

The Parliament of Victoria enacts as follows:

PART 1—PRELIMINARY

1. *Purpose*

The purpose of this Act is—

- 5 (a) to amend the **State Superannuation Act 1988**, the **State Employees Retirement Benefits Act 1979**, the **Hospitals Superannuation Act 1988** and the **Transport Superannuation Act 1988** to provide

Section headings appear in bold italics and are not part of the Act (see **Interpretation of Legislation Act 1984**).

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improved resignation benefits upon voluntary redundancy; and

(b) to make miscellaneous amendments to other Acts.

2. Commencement

- (1) This Act (other than sections 8, 9, 22 and 23) comes into operation on a day or days to be proclaimed. 5
- (2) Sections 8, 9 (1) and 9 (2) are deemed to have come into operation on 1 July 1988.
- (3) Sections 22 and 23 are deemed to have come into operation on 20 December 1988. 10
- (4) Section 9 (3) comes into operation on the day on which this Act receives the Royal Assent.

**PART 2—AMENDMENTS TO THE STATE
SUPERANNUATION ACT 1988**

3. Amendment of definitions 15

In section 3 (1) of the **State Superannuation Act 1988**—

- (a) In the definition of “**resignation**” for “a contributor other than by reason of death, disability or retrenchment” **substitute** “an officer other than by reason of death, disability, retrenchment or voluntary redundancy”; 20
- (b) In the definition of “**retrenchment**” **omit**—
- (i) “or” at the end of paragraph (a);
- (ii) paragraph (b);
- (c) After the definition of “**Superannuation Act 1958**” **insert**— 25

“**voluntary redundancy**” means the voluntary termination of service within the prescribed period by an officer who has not attained the minimum age for retirement upon receiving a payment (other than in lieu of notice or in respect of accrued leave) from his or her employing authority because in the opinion of the employing authority the termination of 30

service by the officer is necessary to achieve a long term reduction in the number of officers employed by the employing authority;”.

4. Statute law revision

5 In section 9 (1) (f) of the **State Superannuation Act 1988** for “sections 7 (2) (d) and 7 (2) (e)” substitute “section 7 (2) (d) or 7 (2) (e)”.

5. Rights on voluntary redundancy of revised scheme members

In section 46 of the **State Superannuation Act 1988**—

- 10 (a) In sub-section (1)—
- (i) after “resigns” insert “or accepts voluntary redundancy”;
 - (ii) after “resignation” insert “or voluntary redundancy”;
- 15 (b) In sub-section (2) after “X means” insert “,in the case of a resignation,”;
- (c) At the end of sub-section (2) insert—
- “X means, in the case of a voluntary redundancy, zero.”.

20 **6. Provisions applying to deferred pensions**

- (1) In section 47 (1) of the **State Superannuation Act 1988** for “or 46” substitute “, 46 or 61”.
 - (2) Section 47 (4) of the **State Superannuation Act 1988** is repealed.
 - 25 (3) In section 47 (6) of the **State Superannuation Act 1988** for “section” substitute “Subject to sub-section (6A), section”.
 - (4) After section 47 (6) of the **State Superannuation Act 1988** insert—
- 30 “(6A) Section 39 applies to a person entitled to a deferred pension under section 46 (1) (a) as if he or she was a revised scheme member entitled to a pension under section 33 at the time the deferred pension

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became payable and as if any reference to “50 per cent” is a reference to “30 percent”.”.

7. *Rights on voluntary redundancy of new scheme members*

In section 58 (1) of the **State Superannuation Act 1988**—

- (a) After “resigns” insert “or accepts voluntary redundancy”; 5
- (b) In the definition of “A” after “resignation” insert “or voluntary redundancy”.

8. *Clarification of benefits payable under section 58*

In section 58 (1) of the **State Superannuation Act 1988**— 10

- (a) After sub-section (1) (b) insert—
- “; and
- (c) if he or she was a revised scheme member before transferring under section 61, a cash benefit equal to a refund of the contributions paid by him or her during the period he or she was a revised scheme member and interest at the prescribed rate.” 15
- (b) In the definition of “S” after “recognised service” insert “(including as a revised scheme member)”. 20

9. *Transfer from revised scheme to new scheme*

(1) After section 61 (2) of the **State Superannuation Act 1988** insert—

- “(2A) If a person who is entitled to a deferred pension under sub-section (2) resigns or accepts voluntary redundancy, the deferred pension 25

must be reduced in accordance with the following formula:

$$DF \times \left(\frac{5}{7} \times \frac{(S - X)}{S} \right)$$

Where—

5 DF means the deferred pension calculated under sub-section (2);

S, X have the same meanings as in section 58.”.

10 (2) In section 28 (2) of the **State Superannuation Act 1988** after “member” insert “or a person to whom section 61 (1) applies”.

15 (3) Despite the amendments made to the **State Superannuation Act 1988** by section 8 and sub-sections (1) and (2), any revised scheme member who transferred to the new scheme under section 61 of the **State Superannuation Act 1988** and has resigned before this Act receives the Royal Assent may elect to retain his or her entitlements as if this Act had not been enacted.

10. Members of approved superannuation schemes

20 After section 69 (4) of the **State Superannuation Act 1988** insert—

“(5) If a person who is entitled to a deferred benefit under sub-section (4) resigns or accepts voluntary redundancy, he or she is entitled to—

25 (a) a cash benefit equal to a refund of contributions and interest at the prescribed rate; and

(b) a deferred retirement benefit reduced by such amount as is determined by the Treasurer on the advice of an actuary.”.

PART 3—AMENDMENTS TO THE STATE EMPLOYEES RETIREMENT BENEFITS ACT 1979

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11. Amendment of definitions

(1) In section 2 (1) of the **State Employees Retirement Benefits Act 1979**—

(a) In the definition of “resign” for “or retrenchment” substitute “, retrenchment or voluntary redundancy”;

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(b) After the definition of “Treasurer” insert—

“**voluntary redundancy**” means the voluntary termination of service within the prescribed period by an employee who has not attained the age of 55 years upon receiving a payment (other than in lieu of notice or in respect of accrued leave) from his or her employer because in the opinion of the employer the termination of service by the employee is necessary to achieve a long term reduction in the number of employees employed by the employer;”.

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(2) In section 34 of the **State Employees Retirement Benefits Act 1979** omit “or the voluntary termination of service by a member who has not attained the age of 55 years which in the opinion of the Board is effected in anticipation of such a compulsory termination as aforementioned”.

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12. Rights on voluntary redundancy

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After section 37 (2) of the **State Employees Retirement Benefits Act 1979** insert—

“(3) If a member accepts voluntary redundancy he or she is entitled to—

(a) a cash benefit calculated in accordance with sub-section (1) (a); and

(b) a deferred benefit consisting of—

(i) a lump sum equal to 5 percent of salary for each year of service; and

(ii) a pension equal to five-sixths of one percent of salary for each year of service payable at age 65.”

**PART 4—AMENDMENTS TO THE HOSPITALS
SUPERANNUATION ACT 1988**

13. *Amendment of definitions*

In section 3 (1) of the **Hospitals Superannuation Act 1988**—

(a) In the definition of “**resignation**” after “(however expressed)” **insert** “other than by reason of death, disability, retrenchment or voluntary redundancy”;

(b) In the definition of “**retrenchment**” **omit**—

(i) “or” at the end of paragraph (a);

(ii) paragraph (b);

(c) After the definition of “spouse” **insert**—

“**“voluntary redundancy”** means the voluntary termination of service within the prescribed period by a member who has not attained the minimum retirement age upon receiving a payment (other than in lieu of notice or in respect of accrued leave) from a participating institution because in the opinion of the participating institution the termination of service by the member is necessary to achieve a long term reduction in the number of members employed by the participating institution;”.

14. Payment of basic benefit

In section 33 (3) (d) of the **Hospitals Superannuation Act 1988** after “resignation” insert “, retrenchment or voluntary redundancy”.

15. Contributory benefit on voluntary redundancy

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(1) After section 37 (1) of the **Hospitals Superannuation Act 1988** insert—

“(1A) Upon voluntary redundancy a contributor is entitled to—

(a) a cash benefit equal to the adjusted member contributions; and 10

(b) a deferred benefit equal to the balance of the accrued retirement benefit.”.

(2) In section 37 (2) of the **Hospitals Superannuation Act 1988** for “sub-section (1) (b)” substitute “this section”. 15

**PART 5—AMENDMENTS TO THE TRANSPORT
SUPERANNUATION ACT 1988**

16. Amendment of definitions

In section 3 (1) of the **Transport Superannuation Act 1988**— 20

(a) In the definition of “resignation” for “or retrenchment” substitute “, retrenchment or voluntary redundancy”;

(b) In the definition of “retrenchment” omit—

(i) “or” at the end of paragraph (a); 25

(ii) paragraph (b);

(c) After the definition of “Transport Authority” insert—

“**voluntary redundancy**” means the voluntary termination of service within the prescribed period by a member who has not attained the minimum age for retirement upon receiving a payment (other than in lieu of notice or in respect of accrued leave) from a transport 30

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authority because in the opinion of the transport authority the termination of service by the member is necessary to achieve a long term reduction in the number of members employed by the transport authority;”.

17. *Application of Act*

In section 4 (1) of the **Transport Superannuation Act 1988** after “prescribed period” insert “or periods”.

18. *The Management Account*

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In section 17 of the **Transport Superannuation Act 1988**—

(a) After sub-section (2) insert—

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“(2A) If the Board administers any other superannuation fund or scheme or provides services to any Minister or transport authority, the Board may require reimbursement for the costs of that administration or the provision of those services.”;

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(b) After sub-section (4) (d) insert—

“; and

(e) the expenses of the Board in administering any other superannuation scheme.”.

19. *Other superannuation funds*

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In section 26 of the **Transport Superannuation Act 1988** omit “the payment of pensions in respect of persons who are former”.

20. *Benefit on voluntary redundancy*

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(1) After section 35 (1) of the **Transport Superannuation Act 1988** insert—

“(1A) If a member accepts voluntary redundancy he or she is entitled to—

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- (a) a cash benefit equal to the amount of contributions paid by him or her and interest at the prescribed rate; and
 - (b) a deferred benefit equal to—
 - (i) 3 percent of salary for each year of service after 1 September 1987; and 5
 - (ii) the balance of the accrued retirement benefit.”.
- (2) In section 35 (2) of the **Transport Superannuation Act 1988**— 10
- (a) For “sub-section (1) (b) (ii)” substitute “sub-section (1) (b) (ii) and (1A) (b) (ii)”;
 - (b) After “sub-section (1) (a)” insert “or (1A) (a)”.
- (3) In section 35 (3) of the **Transport Superannuation Act 1988** for “sub-section (1) (b) (ii)” substitute “this section” 15

PART 6—AMENDMENTS TO OTHER ACTS**21. Amendment of Superannuation (Portability) Act 1989**

- After section 7 (6) of the **Superannuation (Portability) Act 1989** insert— 20
- “(7) If a person who would be entitled to a deferred retirement benefit by the operation of section 5 is subject to the termination of his or her employment prior to attaining the minimum age for retirement on a ground other than disability or death, he or she may elect to receive— 25
- (a) a cash benefit equal to a refund of the contributions paid by him or her and interest at the prescribed rate; and
 - (b) a deferred retirement benefit reduced by such amount as is determined by the Treasurer on the advice of an actuary.”. 30

5 **22. *Amendment of Emergency Services Superannuation Act 1986***

In section 3 of the **Emergency Services Superannuation Act 1986**, in the definition of “**Employee**” after paragraph (ba) insert “or”.

10 **23. *Amendment of Superannuation Acts (Amendment) Act 1988***

In section 11 (f) (ii) of the **Superannuation Acts (Amendment) Act 1988** before “insert” insert “(where first occurring).”.

